

Green Bay Senator Hansen Calls for Closure of WEDC

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Latest reports confirm WEDC officials failed to perform critical underwriting for \$124.4 million in taxpayer supported loans it made to 27 companies. Provide confirmation WEDC has failed at predicted economic development and jobs creation.

MADISON - State Senator **Dave Hansen** (D-Green Bay) called for the closure of the troubled Wisconsin Economic Development Corporation (WEDC) today after it was revealed that WEDC officials failed to perform critical underwriting for \$124.4 million in taxpayer supported loans it made to 27 companies.

WEDC was created in 2011 by Governor Scott Walker and majority legislative Republicans, replacing the former Department of Commerce as the primary agency responsible for economic development and jobs creation in Wisconsin. Since then, it has consistently failed to meet its goals in both.

Governor Walker said the creation of WEDC was central to his promise to create 250,000 jobs during his first term in office. However, according to a recent Milwaukee Journal Sentinel [report](#), Wisconsin ranks 35th in the nation for job creation since Gov. Walker took office and ranks worst in the nation for new business creation. Reports also showed that Walker created just 129,131 new jobs in his first term, or 51.7 percent of his 250,000 jobs promise.

In addition, a series of non-partisan audits beginning in 2012 show WEDC lost track of \$56 million worth of taxpayer funded loans and found that the agency lacked basic internal accounting controls. The quasi-public agency has also written off [more than \\$7.6 million](#) in loans, to include a \$500,000 loan to a troubled company owned by a [major donor](#) to Walker's campaign.



“WEDC has been an unmitigated disaster from the start. It has been one scandal after another, squandered millions of dollars and failed to produce any significant numbers of jobs,” **said Hansen** a longtime critic. “There is no way to justify its existence any longer. It is time to end WEDC. It is beyond repair and the taxpayers deserve better.”

"Since it was created WEDC it has given millions to companies that outsourced Wisconsin jobs, ignored its own rules and state law, and written off millions in failed loans to Republican campaign donors," said Hansen. "According to a recent audit, of the 19,306 jobs WEDC was expected to create during fiscal years 2011-2013 it created only 7,894—barely 40% of the number of jobs promised."

“Unfortunately those of us who said that WEDC was a failed model from the start have seen our prediction come true. After wasting millions of taxpayer dollars amid numerous scandals it is time to admit that the WEDC model is a failure and scrap it in favor of a more open and transparent model that is truly accountable to the taxpayers,” Hansen said.

The Senator concludes “By any measure, WEDC is a failure that taxpayers cannot afford to support. With Wisconsin’s economy still continuing to lag our neighbors and the nation, there is nothing left to do but shut the doors on WEDC and close the book on what has become a very expensive lesson in how not to create jobs.”

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